



benefitNEWS

Consumers Choose Narrow Pharmacy Networks

In a recent research survey performed by national pharmacy benefits manager Express Scripts Inc. (“ESI”), of members who use medications to treat a chronic or complex condition, 85% said that they would change pharmacies if their copay increased with their current pharmacy. These days, convenience and price determine where a patient will obtain their prescriptions - pharmacist relationships are no longer the main driver:

- One-third of members are already using more than one pharmacy for their medications
- Definite willingness to switch pharmacies -- 58% of members claimed they would switch for savings of \$10 or less, with a third noting it would take \$5 or less
- Members surveyed represent high-volume prescription drug customers, filling about 32 scripts annually (over 2x the average) and making almost 18 trips to a retail pharmacy per year

The survey results above suggest members are more motivated by location and price than pharmacist relationships. Today, most benefit plan members are already accustomed to the idea of narrow networks. Medical plans have been using the concept of restricted access for years to control costs by limiting the number of physicians, labs and hospitals in their network. Lack of differentiation between pharmacists, along with modest levels of member interaction with pharmacists, are likely additional reasons why members seem to be willing to switch pharmacies if a corresponding financial incentive were created, too.

In 2012, 32% of Medicare pharmacy Beneficiaries chose a plan with preferred pharmacy networks. That percentage grew to over 40% in 2013. Greater than 70% of the 2014 Medicare Part D plans have a Preferred Pharmacy network, and accounts for 75% of Medicare Part D Beneficiaries. Plus, according to recent Medicare pharmacy data, 88% of plans with Part Rx D enrollment in their offering had a preferred network. For another plan, the preferred network offerings accounted for 64% of their total enrollment. Enrollment data prove that consumers embrace narrow networks even when given the choice of other network offerings.

Narrow networks strike a balance between providing retail pharmacy access for members and lower costs for plan sponsors. Today’s narrow retail network solutions allow plan sponsors to maximize plan savings while retaining convenience for its members. Switching pharmacies in today’s retail environment is a simple and convenient change members are willing to make.

Conner Strong & Buckelew’s pharmacy coalition with ESI offers clients with access to narrow networks that can substantially help hold the line and reduce pharmacy plan costs without cutting

benefits. For more information about our pharmacy coalition and narrow networks, please contact your Conner Strong & Buckelew account representative.



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